MONTANA LEGISLATIVE HISTORY

Chapter 269 1983

Bill H 179 S _____ Original bill & history ___C

H. Committee on Judiciary			S. Committee on Judiciary		
Hearing Date(s) Jan 21	✓	C	Hearing Date(s) Mar 14	✓	C
_____	___	C	_____	___	C
_____	___	C	_____	___	C
_____	___	C	_____	___	C
Date Out Jan 21	✓	C	Mar 14	✓	C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

176 -- FABREGA, BERG -- TO REVISE THE LAW RELATING TO THE STAFF OF THE BOARD OF PUBLIC EDUCATION; AMENDING SECTION ....
BY REQUEST OF: THE BOARD OF PUBLIC EDUCATION

INTRODUCED: 01/12/83
REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES: 01/12/83
HEARING: 1/21/83
REPORT: 01/22/83, DO PASS, AS AMENDED
2ND READING: 01/25/83, DO PASS AYES: 97; NAYS: 1
3RD READING: 01/27/83, DO PASS AYES: 95; NAYS: 0

TRANSMITTED TO SENATE: 1/27/83
REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES: 01/28/83
HEARING: 3/21/83
REPORT: 3/23/83, BE CONCURRED IN
2ND READING: 03/24/83 AYES: 49; NAYS: 0
3RD READING: 03/28/83 AYES: 46; NAYS: 0

RETURNED TO HOUSE: 3/28/83

TRANSMITTED TO GOVERNOR: 04/01/83
SIGNED: 04/06/83, CHAPTER 405

177 -- WALDRON -- TRANSFERRING THE STATE MOTOR POOL FROM THE DEPARTMENT OF HIGHWAYS TO THE DEPARTMENT OF ADMINISTRATION; AMENDING SECTIONS ...; AND PROVIDING AN EFFECTIVE DATE.
BY REQUEST OF: THE LEGISLATIVE AUDIT COMMITTEE

INTRODUCED: 01/12/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 01/12/83
HEARING: 1/21/83
REPORT: 01/22/83, DO NOT PASS
BILL KILLED: 01/24/83

178 -- D. BROWN -- MAKING IT A FELONY FOR THE DRIVER OF A MOTOR VEHICLE TO ATTEMPT TO ELUDE A PURSUING POLICE VEHICLE.
BY REQUEST OF: THE MONTANA HIGHWAY PATROL

INTRODUCED: 01/12/83
REFERRED TO COMMITTEE ON JUDICIARY: 01/12/83
HEARING: 1/19/83
REPORT: 01/20/83, DO NOT PASS
BILL KILLED: 01/21/83

179 -- BARDANOUVE -- TO GENERALLY REVISE THE UNIFORM DISPOSITION OF UNCLAIMED PROPERTY ACT TO CONFORM WITH THE UNITED STATES SUPREME COURT DECISION IN TEXAS V. NEW JERSEY, 379 US 670, AND WITH CURRENT APPLICABLE FEDERAL STATUTES; AMENDING SECTIONS ...; REPEALING SECTION ...; AND PROVIDING AN EFFECTIVE DATE.

INTRODUCED: 01/12/83
REFERRED TO COMMITTEE ON JUDICIARY: 01/12/83
HEARING: 1/21/83
REPORT: 01/21/83, DO PASS, AS AMENDED
2ND READING: 01/24/83, DO PASS AYES: 96; NAYS: 1
3RD READING: 01/26/83, DO PASS AYES: 94; NAYS: 0

TRANSMITTED TO SENATE: 1/26/83

REFERRED TO COMMITTEE ON JUDICIARY: 01/27/83
HEARING: 3/14/83
REPORT: 03/17/83, BE CONCURRED IN
2ND READING: 03/18/83 AYES: 49; NAYS: 0
3RD READING: 3/21/83 AYES: 47; NAYS: 0

RETURNED TO HOUSE: 03/21/83

TRANSMITTED TO GOVERNOR: 03/25/83
SIGNED: 03/29/83, CHAPTER 269

HB 180 -- J. BROWN -- TO APPROPRIATE FUNDS TO THE DEPARTMENT OF INSTITUTIONS FOR PAYMENT OF A JUDGMENT AGAINST THE STATE OF MONTANA BY MARJORIE LANGLOIS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.
BY REQUEST OF: THE DEPARTMENT OF INSTITUTIONS

INTRODUCED: 01/12/83
REFERRED TO COMMITTEE ON APPROPRIATIONS: 01/12/83
HEARING: 2/11/83
REPORT: 02/15/83, DO PASS, AS AMENDED
2ND READING: 02/17/83, DO PASS AYES: 81; NAYS: 12
3RD READING: 02/19/83, DO PASS AYES: 85; NAYS: 10

TRANSMITTED TO SENATE: 2/19/83
REFERRED TO COMMITTEE ON FINANCE & CLAIMS: 02/21/83
HEARING: 3/8/83
REPORT: 3/8/83, BE CONCURRED IN
2ND READING: 03/10/83 AYES: 49; NAYS: 0
3RD READING: 03/12/83 AYES: 42; NAYS: 5

RETURNED TO HOUSE: 3/12/83

TRANSMITTED TO GOVERNOR: 03/21/83
SIGNED: 03/24/83

HB 181 -- HART -- CHANGING THE NAME OF THE EASTMONT TRAINING CENTER TO THE EASTMONT HUMAN SERVICES CENTER; REMOVING A PROVISION RELATING TO THE PURPOSES OF THE GLENDIVE NURSING HOME FACILITY; AMENDING SECTIONS ...; AND REPEALING SECTION ....
BY REQUEST OF: THE DEPARTMENT OF INSTITUTIONS

INTRODUCED: 01/12/83
REFERRED TO COMMITTEE ON HUMAN SERVICES: 01/12/83
HEARING: 1/21/83
REPORT: 01/21/83, DO PASS
2ND READING: 01/24/83, DO PASS AYES: 96; NAYS: 2
3RD READING: 01/26/83, DO PASS AYES: 86; NAYS: 7

TRANSMITTED TO SENATE: 1/26/83
REFERRED TO COMMITTEE ON PUBLIC HEALTH, WELFARE, & SAFETY: 01/27/83
HEARING: 3/4/83
REPORT: 3/4/83, BE CONCURRED IN
2ND READING: 03/07/83 AYES: 48; NAYS: 0
3RD READING: 03/09/83 AYES: 47; NAYS: 3

RETURNED TO HOUSE: 03/10/83

TRANSMITTED TO GOVERNOR: 03/15/83

MINUTES OF THE JUDICIARY COMMITTEE
January 21, 1983

The meeting of the House Judiciary Committee was called to order by Chairman Dave Brown at 9:00 a.m. in Room 224A of the Capitol. All members were present. Brenda Desmond, Legislative Council, was present.

HOUSE BILL 179

REP. BARDANOUVE, sponsor, stated House Bill 179 would revise the uniform disposition of Unclaimed Property Act to conform with the United States Supreme Court decision in Texas v. New Jersey.

The original statute that this bill updates was passed in 1963. The law has been very beneficial to Montana. In 1963 there were 94 members of the House, all of whom voted for the passage of the law. That legislation has brought revenue to Montana. The money collected from the unclaimed accounts goes towards the education funds in Montana.

REP. BARDANOUVE stated any person can make a claim on property to which they are entitled to. In fact, $194,000 has been returned to citizens during the last ten years under this act. The people of Montana are not charged anything. Bankers must remove accounts that are abandoned after a certain time limit. If the institution must return the money to the accountholder, the institution does not really bother looking for the person, because he probably has been out of contact with the financial institution for a number of years. When the money from an unclaimed account is given to the state, however, that makes the financial institution look harder for the accountholder.

REP. BARDANOUVE stated the states of New Jersey and Pennsylvania were involved in a lawsuit with Texas concerning which state would receive unclaimed funds. The Supreme Court ruled in favor of Texas; which was the last known address of the accountholder.

The first part of this bill adopts the supreme court ruling. If a Californian has an account in a bank, such as the Bank of America, and the last known address of the accountholder is Montana, the state of Montana would be able to claim that money. If there is money in a Montana bank and the last known address of the accountholder is California, the state of California would be able to claim the money.

Page 10 of the bill concerns the new language that clarifies the publication notice. A publication must be made in order for the state to claim the items, providing the accountholder does not claim the items.

The statute of limitation is set at ten years under this bill. Under the present law the length of the statute of limitations is unclear.

Page 13 of the bill requires the financial institutions to keep records for ten years. A 1% penalty per month is charged against anyone who holds property reportable under this chapter without complying with the law.

The effective date of the act would be July 1, 1983.

DOROTHY MCCARTER, Attorney General's Office, was in support of the bill. She noted she drafted the amendments from the Unclaimed Property Act.

JIM MADISON, Department of Revenue, was also in favor of the bill. On May 8, 1982 he gave a report on the proposed revision of unclaimed property to the legal financial community. Members felt the enforcement provisions would result in better compliance with the law. The penalties are criminal penalties. The 1% per month penalty is identical to the Coal Severance Tax.

MADISON stated the financial institutions must report unclaimed property on a yearly basis. Corporations must report unclaimed property on a three year basis. The Department of Revenue checks all unclaimed property that banks have listed. The Department checks on a random sample the corporation's listings.

JOHN CADBY, representing the Montana Bankers Association, was in favor of the bill. Dormant accounts are a problem in the banking industry. This bill will help eliminate fees the banks assess to dormant accounts. The ten year statute of limitations is good for the banking industry. It would be impossible, however, for the banks to recreate old records that have been destroyed.

CADBY suggested that the provision that requires notices to be published if the account is less than $50 should be increased to $100.

There were no further proponents.

There were no opponents.

In closing, REP. BARDANOUVE stated under new Section 5, Money Orders, an assessment on the money order would be made before being turned over to Montana. Thus the state would be treated the same as the original owner.

REP. KEYSER asked if the Department of Revenue would object to the $100 amendment, to which MADISON replied no. To issue a refund through the state system is difficult. This could save the state time and money.

REP. RAMIREZ asked if eliminating the fee for the banks would increase the number of collections that go into the fund. The sponsor replied it would be a small increase.

REP. EUDAILY asked if the unclaimed accounts go into the earmarked fund. The sponsor replied yes, it then goes into the foundation fund.

REP. ADDY asked how expensive it is to process a refund. MADISON stated approximately $20.00 per warrant.

CADBY stated in Washington state the amount of $75.00 is the minimum amount an account may contain for the state to be required to publish a notice of unclaimed funds. CADBY felt $100.00 is a fair amount.

REP. ADDY asked about the July 1st effective date. REP. BARDANOUVE stated the Legislative Council drafted that date as part of the bill. He would agree to an immediate effective date.

The hearing on House Bill 179 closed.

The committee then went into Executive Session.

EXECUTIVE SESSION

HOUSE BILL 179

The motion of DO PASS was made by REP. KEYSER. REP. IVERSON seconded the motion.

REP. HANNAH asked about lines 5 and 14 concerning unclaimed property and intangible property. It was replied that unclaimed property is all property. That particular section was the definition section of the bill.

REP. SEIFERT moved to amend page 10, line 4 and page 12, line 5 striking $50 and inserting $100. He also moved the bill have an immediate effective date. The motion was seconded by REP. KEYSER.

REP. ADDY noted CADBY stated to him that making the bill immediately effective would not give the banks enough time

to train their personnel. REP. SEIFERT withdrew the immediate effective date portion of the amendment motion.

The amendment carried unanimously.

REP. KEYSER moved DO PASS AS AMENDED, seconded by REP. JENSEN. As all were in favor of the motion, House Bill 179 left the committee as DO PASS AS AMENDED.

The committee recessed until 10:00 a.m. for a joint hearing with the Senate Judiciary Committee.

SENATE BILLS 26 and 52

The committee reconvened in Room 325 of the Capitol at 10:00 a.m. for a joint hearing on Senate Bills 26 and 52. See the transcript (EXHIBIT A) and EXHIBITS B through U.

The hearing adjourned at 12:30 p.m.

Dave Brown
DAVE BROWN, Chairman

Maureen K. Richardson
Maureen Richardson, Secretary

STANDING COMMITTEE REPORT

January 21, 83

MR. SPEAKER:

We, your committee on JUDICIARY

having had under consideration HOUSE Bill No. 179

First reading copy (white)
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A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE UNIFORM DISPOSITION OF UNCLAIMED PROPERTY ACT TO CONFORM WITH THE UNITED STATES SUPREME COURT DECISION IN TEXAS V. NEW JERSEY, 379 US 670, AND WITH CURRENT APPLICABLE FEDERAL STATUTES; AMENDING SECTIONS 70-9-101, 70-9-102, 70-9-301, 70-9-302, 70-9-307, 70-9-314, AND 70-9-316, MCA; REPEALING SECTION 70-9-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 179

BE AMENDED AS FOLLOWS:

1. Page 10, line 4.
Following: "of"
Strike: "$50"
Insert: "$100"

2. Page 12, line 5.
Following: "than"
Strike: "$50"
Insert: "$100"

AND AS AMENDED

DO PASS

DAVE BROWN, Chairman.

STATE PUB. CO.
Helena, Mont.

MINUTES OF MEETING
SENATE JUDICIARY COMMITTEE
March 14, 1983

The forty-second meeting of the Senate Judiciary Committee was called to order by Chairman Jean A. Turnage on March 14, 1983, at 10:03 a.m., Room 325, State Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 505: Representative Bardanouve stated that he would like to address House Bills 489, 530, 533, 505, 531 and 532 as a whole rather than individually. Representative Bardanouve stated that these bills are intended to reflect a change in terminology and to bring Montana's laws into conformity with GAAP. He informed the Committee that GAAP stood for Generally Accepted Accounting Practices. Representative Bardanouve then explained that in HB531, the retirement division account will, under the terms of the bill, be referred to as the pension trust fund. He explained that this trust fund is not a permanent trust fund. HB 532 amends the worker's compensation fund law to refer to the industrial insurance account as a special revenue fund. This is an expendable trust. HB 489 will refer to the earmark revenue funds as the state special revenue funds. Representative Bardanouve testified that with this new terminology we will have an up-dated, modern form of laws for fiscal control. He also informed the Committee that Montana is in the forefront as far as modernizing our laws.

Morris Brusett, Director of the Department of Administration, testifie that Montana needs to go along with Generally Accepted Accounting Practices. He stated a special task force which had been formed was in total agreement with these principles.

There being no further proponents and no opponents, the hearing was opened to questions from the Committee.

Senator Galt inquired as to who was the Montana State Treasurer. Mr. Brusett responded that he was the ex officio state treasurer. Senator Turnage commented that these bills were an improvement and, hopefully, would not create any problems in the legislative process.

CONSIDERATION OF HOUSE BILL 179: Representative Bardanouve stated that HB179 is a bill to amend a law that he had introduced as a bill in 1963. This bill amends the Montana unclaimed property laws. Representative Bardanouve stated that the 1963 law regarding unclaimed property is responsbile for placing $3,703,000 in the State treasury. The interest collected on this money goes into the education trust fund to help our schools. Representative Bardanouve

testified that $200,000 has been given back to the citizens of Montana under the 1963 law. This bill modernizes what the state can claim as unclaimed property and gives specific dates for publication of unclaimed property by the State. This bill also sets up a statute of limitations of ten years and includes penalties for persons who do not deliver unclaimed property to the state.

PROPONENTS: Mr. Jim Madison of the Miscellaneous Tax Division, Montana Department of Revenue, testified that he is in favor of HB179. He stated that civil penalties under the law are much better than criminal penalties.

OPPOSITION: Mr. Glenn Drake, representing various insurance companies stated it was his opinion the term "life" should be inserted on p.3, line 1, in front of the word "insurance". Representative Bardanouve stated that it was his intention to include the proceeds of all forms of insurance in the bill and that perhaps "life insurance" should be replaced throughout the bill with "assets".

There being no further proponents or opponents, the hearing was opened to questions from the Committee.

Senator Halligan inquired whether HB179 referred to all property or only to intangible property. Senator Turnage explained that the bill covered tangible and intangible property.

Representative Bardanouve explained about Post Office Savings accounts established in the 1930's and stated there may be a lot of money still in these accounts. Senator Berg then asked whether this bill would affect the federal government and was told by Representative Bardanouve that HB179 would only affect state governments.

ACTION ON HOUSE BILL 660: Proposed amendments were submitted by Senator Turnage and by Ann MacIntyre of the Human Rights Commission. Since these amendments were substantially the same, Ann MacIntyre's amendments were voted on with one change. Senator Turnage questioned the use of "may" in line 25, page 1. Senator Mazurek made a motion to pass the amendments as proposed by Ann MacIntyre with the Committee's addition. The motion carried unanimously. Senator Mazurek then moved that the bill BE CONCURRED IN AS AMENDED. The motion carried unanimously.

ACTION ON HOUSE BILLS 489, 530, 533, 505, 531 and 532: Senator Shaw made a blanket motion that House Bills 489, 530, 533, 505, 531,

and 532 BE CONCURRED IN. His motion carried unanimously.

ACTION ON HOUSE BILL 179: Senator Hazelbaker made a motion to strike the word "life" from the bill wherever it appears in front of the word "insurance". The motion carried with Senator Crippen voting in opposition. Senator Hazelbaker then made a motion that HB179 BE CONCURRED IN AS AMENDED. The motion carried with Senator Crippen voting in opposition.

FURTHER CONSIDERATION OF HOUSE BILL 825: Mr. Ward A. Shanahan, representing Northern Tier Pipeline, testified that he was concerned with the amendments made to HB825 on March 12. Mr. Shanahan stated that if the Committee strikes lines 2-6 on page 5 of the bill, the time frame becomes 1 to 1 1/2 years as litigation then falls under the Montana Rules of Civil Procedure. Since HB825 was already out of Committee, Mr. Shanahan was informed that the bill would have to be amended on the floor.

There being no further business to come before the Committee, the meeting was adjourned at 11:25 a.m.

JEAN A. TURNAGE, Chairman

DATE _____

COMMITTEE ON Senate Judiciary

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Dorothy McCarter	Attorney-General	HB179	✓	
James Madison	Dept of Revenue	HB179	✓	